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Dear Colleague

Rolling Monthly Transfer & Trade System Entry Capacity

Invitation to participate in the RMTNTSEC auction for capacity period September 2011

Pursuant to TPD Section B2.3.10 of the Uniform Network Code, National Grid Gas plc invites you to take part in the Rolling Monthly Transfer & Trade System Entry Capacity (RMTNTSEC) auction for the capacity period September 2011.

National Grid will conduct the auction on:

Monday 15th August 2011

The auction window will commence at 08:00 and close at 17:00 on the same calendar day. An RMTNTSEC bid may be withdrawn or amended until, but not after 17:00.

The auction on this date will be held to allocate capacity for the following Capacity period:

September 2011

The amount of capacity to be offered for each Aggregate System Entry Point (ASEP) will be 100% of the unsold NTS Obligated Firm Entry Capacity plus any Firm Entry Capacity surrendered in the Surrender (Trade Initiation) (RMTISSEC) process. This total capacity is termed the Available Capacity. The ASEPs where Available Capacity is to be offered, together with the unsold NTS Obligated Firm Entry Capacity for those ASEPs, are shown in the attached Tables 2 and 3. The Initial Stage and Trade and Transfer stage of the auction are both pay as bid and the reserve prices that apply are specified in Table 4. Any unsatisfied bids after allocation of the Initial Stage (i.e. where bid quantity exceeds Available Capacity) will be analysed as part of the Transfer and Trade stage and allocations will be carried out subject to the relevant provisions of TPD Section B2.3 and the Entry Capacity Trade and Transfer Methodology Statement.

User allocations for the whole process (for the avoidance of doubt this includes the Initial Stage and the Transfer and Trade Stage) will be communicated no later than three business days prior to the last business day of August 2011.

Following RMTNTSEC capacity allocation National Grid NTS will publish the aggregate information for each ASEP on the Entry Capacity Auction Publications area of the National Grid Gas website.

This can be accessed using the following link:

<http://marketinformation.natgrid.co.uk/Gas/CapacityReports.aspx> (select Rolling Monthly System Entry Capacity as Auction Type and Allocation Results as Report Type)

The RMTNTSEC auction will be conducted in Gemini and any bids for NTS Firm Entry Capacity should be made using the **Deal>Capture>Create Bids** screen using **RMTNTSEC** as the Method of Sale. Please be aware that if you wish to check your allocations from the February 2011 AMSEC auction prior to bidding in the RMTNTSEC auction you should navigate to the following screen **Deal>Bid Capture Reports>Bid Information** screen in Gemini.

Please note that this message is being sent by e-mail via the Joint Office of Gas Transporters and web-fax (business hours operational list). An Automated Notification Service (ANS) message will also be issued informing users that the invitation has been published.

If you have any queries regarding the RMTNTSEC or Daily auction process please contact Stephen Carey or myself on +44 (0)1926 65 4057. Alternatively you can e-mail the capacity team regarding any long term capacity issues at capacityauctions@uk.ngrid.com

Yours sincerely

Dave Wagstaff
Network Operations
National Grid

TABLES

**Table 1 – Aggregate Rolling Transfer & Trade Monthly System Entry Capacity (kWh/d)
(Unallocated and Surrendered NTS Firm Entry Capacity)**

| | Aggregate Available Capacity |
|-----------------------|-------------------------------------|
| September 2011 | 7,113,594,036 |

**Table 2 – Rolling Monthly Transfer & Trade System Entry Capacity (kWh/d)
(Unsold Obligated NTS Firm Entry Capacity)**

| ASEP | Short Code | September 2011 |
|-----------------------|-------------------|-----------------------|
| Avonmouth LNG | AV | 177,800,000 |
| Bacton | BA | 1,547,873,772 |
| Burton Point | BP | 33,500,000 |
| Barrow | BR | 219,700,000 |
| Barton Stacey | BS | 82,600,000 |
| Cheshire | CH | 115,643,200 |
| Caythorpe | CT | 0 |
| Dynevor Arms LNG | DA | 49,000,000 |
| Easington | EA | 975,815,528 |
| Fleetwood | FL | 650,000,000 |
| Glenmavis LNG | GM | 99,000,000 |
| Garton | GR | 0 |
| Hole House Farm | HH | 0 |
| Hatfield Moor Onshore | HM | 300,000 |
| Hornsea | HS | 233,100,000 |
| Hatfield Moor Storage | HT | 25,000,000 |
| Isle of Grain | IG | 371,758,700 |
| Milford Haven | MH | 299,000,000 |
| Partington LNG | PR | 214,000,000 |
| St. Fergus | SF | 1,189,153,368 |
| Teesside | TE | 267,100,732 |
| Theddlethorpe | TH | 555,148,736 |
| Wytch Farm | WF | 2,800,000 |

**Table 3 - Rolling Monthly Transfer & Trade System Entry Capacity (kWh/d)
(Surrendered NTS Firm Entry Capacity)**

| ASEP | Short Code | Surrendered Qty greater than Reserve Price | Surrendered Qty equal to Reserve Price | Surrendered Qty less than Reserve Price | Total Surrendered Quantity |
|-------------|-------------------|---|---|--|-----------------------------------|
| Easington | EA | - | - | 5,300,000 | 5,300,000 |

Table 4 - Reserve Prices for Rolling Monthly Transfer & Trade System Entry Capacity (p/kWh/d)

| ASEP | Short Code | p/kWh |
|-----------------------|-------------------|--------------|
| Avonmouth LNG | AV | 0.0001 |
| Bacton | BA | 0.0091 |
| Burton Point | BP | 0.0001 |
| Barrow | BR | 0.0061 |
| Barton Stacey | BS | 0.0001 |
| Caythorpe | CT | 0.0071 |
| Cheshire | CH | 0.0001 |
| Dynevor Arms LNG | DA | 0.0001 |
| Easington | EA | 0.0115 |
| Fleetwood | FL | 0.0036 |
| Glenmavis LNG | GM | 0.0172 |
| Garton | GR | 0.0109 |
| Hole House Farm | HH | 0.0001 |
| Hatfield Moor Onshore | HM | 0.0047 |
| Hornsea | HS | 0.0110 |
| Hatfield Moor Storage | HT | 0.0047 |
| Isle of Grain | IG | 0.0032 |
| Milford Haven | MH | 0.0207 |
| Partington LNG | PR | 0.0001 |
| St. Fergus | SF | 0.0402 |
| Teesside | TE | 0.0100 |
| Theddlethorpe | TH | 0.0107 |
| Wytch Farm | WF | 0.0001 |